



UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
BROOKFIELD PLACE, 200 VESEY STREET, SUITE 400
NEW YORK, NY 10281-1022

May 27, 2021

Via ECF

The Honorable Lewis A. Kaplan
United States District Judge
United States Courthouse
500 Pearl Street
New York, NY 10007

Re: SEC v. Gray, No. 15 Civ. 1465 (LAK) (S.D.N.Y.)

Dear Judge Kaplan:

Plaintiff Securities and Exchange Commission (“SEC”) respectfully writes jointly with Karthik Bhavaraju, the Successor Receiver appointed by the Court in this matter, to update the Court as to the assets in the receivership estate and the Successor Receiver’s plans for the Relief Defendants.¹

As background, the SEC filed this action on February 27, 2015, against Defendant Gregory W. Gray, Jr., and related entities for securities fraud related to Gray’s misappropriation of investor money from investment funds that he operated. (*See* DE 1.) On March 25, 2015, the Court issued an order on consent of the parties appointing a receiver over the assets of Mr. Gray and his related entities, including the Relief Defendants. (DE 35.) The SEC and Lucien A. Morin, II—the original receiver appointed by the Court in this matter—jointly moved to appoint the Successor Receiver on November 8, 2019. (DE 342-344.) The Court approved the motion on December 16, 2019. (DE 346.)

In the Plaintiff’s Memorandum of Law in Support of the Joint Motion for an Order Dismissing the Receiver and Appointing a Successor Receiver and Other Relief (“Memorandum of Law”), dated November 8, 2019, the SEC described the plans for the receivership estate moving forward. (DE 344 at 7.) The Memorandum of Law described the Successor Receiver’s plan to create an entity to hold the assets of the receivership

¹ The “Relief Defendants” are Archipel Capital – Agrivida LLC, Archipel Capital – Amyris Biotechnologies LP, Archipel Capital – Bloom Energy LP, Archipel Capital – Late Stage Fund LP, Archipel Capital – Lineagen LP, Archipel Capital – Social Media Fund LP, Archipel Capital – Social Media Fund II LP, Archipel Capital – Social Media Fund LP 3, Archipel Capital – Social Media Fund LP 4, and Bennington – Everloop LP. Archipel Capital - Amyris Biotechnologies LP was dismissed from the receivership estate. (DE 89 § II.)

estate, move such assets from the relevant Relief Defendants, and then dissolve the remaining Relief Defendants. (*Id.*)

Since the November 8, 2019 filing, among other actions, the Successor Receiver has been looking for opportunities to liquidate the remaining non-cash assets in the receivership estate, which are non-liquid shares of Agrivida, Inc. (“Agrivida”) and Kisameet Glacial Clay, Inc. (“Kisameet”). (*See* DE 344 ¶ 17; DE 348 (SEC’s Sept. 23, 2020 letter to the Court); DE 350 (Successor Receiver’s Report for the Period Jan. 1, 2020 to Dec. 31, 2020).)²

After comparing the costs involved in dissolving the Relief Defendants with the costs of paying the annual tax and other fees until the Successor Receiver has completed distributions from the receivership estate, the Successor Receiver has now determined that it would be more cost-efficient to the receivership estate to dismiss the Relief Defendants from the receivership at the termination of the receivership, rather than dissolving them as originally outlined in the Memorandum of Law. (DE 344 at 7.)

Respectfully submitted,

/s/ Victor Suthammanont
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cc: Karthik Bhavaraju (by email)
Lucien A. Morin, II (counsel for the Successor Receiver) (by email)
Gregory W. Gray, Jr. (by email)

² The SEC’s Memorandum of Law concerning Kisameet (DE 344 at 5) mistakenly stated that the Kisameet shares were held in the name of Defendant Archipel Capital, LLC (*id.*), when in fact the shares were held in the name of Mr. Morin in his former role as the receiver in this matter (DE 344 ¶ 17).